



Seattle City Light Strategic Plan

Challenges Assessment

Customers/Ratepayers

Strengths and Opportunities:

- Strong public support for public power
- Quality service
- Low, competitive rates can support local economic activity
- Strong environmental stewardship programs
- Carbon neutral utility
- Sophisticated customer base
- Strategic Plan: opportunity for engagement and long-term planning

Weaknesses and Challenges:

- Low customer satisfaction with customer contact options (e.g. website and call center)
- System reliability is declining
- Reliance on wholesale power sales can result in rate shocks
- Possibility of extended economic downturn
- Electric cars could increase demand
- Changing customer expectations
- Communication of utility challenges
- Expectations of continued very low power costs and high service levels
- Significant exposure to climate change

Workforce

Strengths and Opportunities:

- Knowledgeable, experienced, diverse workforce
- Pride and commitment of staff
- Strong management team
- Utility will experience cultural change as retiring employees are replaced
- Salaries and benefits are only about 15% of our cost

Weaknesses and Challenges:

- Injury rates much higher than national averages
- Aging workforce: 50% eligible to retire within 5 years
- Shortage of engineers and skilled trade personnel
- Some job salaries are not competitive with industry
- Competition for talent
- Lack of flexibility in workforce rules and classification system



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Assets

Strengths and Opportunities:

- Low cost, carbon neutral power supply portfolio
- Adequate power supply for next 10 years
- We own or control 50% of our power supply
- Reliable network
- Long-term rights to low cost federal system generation (BPA)
- Fully implementing asset management system can lower maintenance costs and increase reliability

Weaknesses and Challenges:

- Aging infrastructure requires increasing levels of maintenance or replacement
- Limited or incomplete asset and maintenance data
- Lagging technology
- New state and federal regulations—cyber security, reliability, and continuity of operations
- Regional transmission system bottlenecks—upcoming decisions on funding, cost allocation
- Wholesale power price variability
- Cost and availability of qualifying I-937 resources (existing hydro doesn't count)

Municipal Enterprise Excellence

Strengths and Opportunities:

- Access to low cost capital
- AAA rating of City of Seattle
- Financially stable
- Strong support for public power
- Strategic Plan adoption can increase certainty for customers, utility

Weaknesses and Challenges:

- Need for endorsed strategic plan and investment strategy
- Business practices need updating
- Outdated information technology systems
- Opportunities to engage busy policy makers and stakeholders about City Light's issues
- Financial downturn makes it more difficult to fund needed investments